

# 2008 Groundfish Assistance Program

## 2008 Federal Earmark

*“\$13,395,000 to the Massachusetts Division of Marine Fisheries to alleviate economic impacts associated with Framework 42 regulations on the Massachusetts groundfish fishery.”*

- *Senators Kennedy & Kerry*
- *Congressmen Tierney, Delahunt & Frank*
- *Governor Patrick & Secretary Bowles*

# Assistance Program Development

## *Process & Timeline*

- **Develop a program framework in a timely and transparent manner**
  - State Drafting group (March 14)  
Paul Diodati, Mary Griffin, Bill White, Patrick Cloney, Dan Georgianna
  - Industry Subcommittee (March 20)  
Jackie O'Dell, Frank Mirarchi, Ed Barrett, Angela Sanfilipo, Deb Schrader, Donna Albino, Tom Depersia, Kevin Twombly, Chuck DiStefano, Eric Brazer, Luis Ribas, Armand Aparo, Bob Lane, Tory Bramante, Troy Wall
  - Public Meetings (April 1-3)
- **By April 15th** - After Secretarial approval, DMF completes program grant application and submits to NOAA Fisheries

# Guidance for Proposals

The Commonwealth will rely on its public process to develop the grant application.

We will focus on the intent of the legislation, which is to make these funds available to fishermen.

The draft proposals presented today compose a “living document” subject to change as your comments will be considered for the final grant application.

# Proposals Already Discussed

- Commonwealth Permit Bank
- Port Infrastructure and Shore Support
- Permit Buy-out (Capacity Reduction)
- Business Support Services
- Family Services Programs
- Vocational Re-training
- Safety-at-Sea Training
- Vessel Improvement Programs
- Seafood Marketing Programs
- Fisheries Management Programs

# Current Proposal

Category	Suggested Funding Amount
<i><b>Direct Subsidies</b></i> <i>(permit holders, vessel owners and crew members)</i>	\$12,575,000
<i><b>Other</b></i> <i>(state &amp; federal grant administration)</i>	\$820,000
<b>TOTAL</b>	<b>\$13,395,000</b>

# Direct Subsidy Program

Proposal	Funding
Direct economic relief for Massachusetts groundfish industry affected by Framework 42 fishing restrictions.	\$12,200,000
Health insurance coverage for fishermen and family members.	\$375,000
<b>Sub-Total</b>	<b>\$12,575,000</b>

# Direct Economic Relief Disbursements

## Define Impacted Groundfish Industry

- Commercial groundfish fishermen
  - federally permitted (87+%)
  - non-federally permitted (2-3%)
  
- For-hire (5-10%)



# Eligibility for Federally Permitted Fishermen

- Vessel must have had a federal multispecies groundfish permit with allocated “A” DAS and a state landing permit naming that vessel with a homeport in MA during the period May 1, 2007 to March 15, 2008.
- The current permit holder (as of March 15, 2008) of an eligible vessel will qualify to receive funds.
- Permitted vessel must have landed at least 10,000-lbs of groundfish (including monkfish) in any fishing year during May 1, 2005 to March 15, 2008.
- Permits held by non-profit entities (e.g. permit banks) will not be eligible to receive funds.

# Allocation Criteria & Formula for Federal Fishermen

- Allocation Criteria:

Number of “A” DAS allocated on May 1, 2007  
(lease DAS will not be a factor for allocating funds)

- Allocation Formula:

Determine individual permit’s portion of overall  
“A” DAS from all eligible permit holders.

# Eligibility for Non-Federally Permitted Commercial Fishermen

## Eligibility Criteria:

- Must have held a State Waters Groundfish Endorsement (GE) during the period January 1, 2008 to March 15, 2008.
- Must have landed at least 10,000-lbs. of multispecies groundfish, including monkfish, in any calendar year during January 1, 2005 to December 31, 2007

# Allocation Criteria for Non-Federal Fishermen

## Allocation Formula:

- Flat rate = 
$$\frac{\text{funds allocated to state-only subsidy program}}{\text{\# eligible applicants}}$$
- Flat rate will not be allowed to exceed median amount paid to federally permitted commercial fishermen.

# Eligibility for For-hire Fishermen

- Eligibility Criteria:

Must have held a federal for-hire permit and state for-hire endorsement with a Massachusetts homeport during the period May 1, 2007 to March 15, 2008.

*(Holders of multiple permits could qualify for either a commercial or for-hire subsidy, but not for both)*

# Allocation Criteria for For-hire Fishermen

## ■ Allocation Criteria:

- At least 7 trips in FY 2007 during which at least 50% of catch landed consists of Atlantic cod as documented on NOAA Vessel Trip Reports (VTRs).
- At least 50% of total income attributable to for-hire fishing during FY 2007 as documented on federal income tax forms

## ■ Allocation Formula

- Flat rate = 
$$\frac{\text{funds allocated to for-hire subsidy program}}{\text{\# eligible applicants}}$$
- Flat rate will not be allowed to exceed median amount paid to federally permitted commercial fishermen.

## Appeals Set-aside & Process

- Appeals will be accepted during a finite time period based only on the validity of records obtained from NOAA Fisheries or MA DMF.
- Unless a set-aside “Appeal Fund” is established, final subsidies may not be announced until conclusion of appeals process.
- Any unallocated funds in an Appeal Fund may be re-allocated to health insurance coverage.

# Health Insurance Coverage (\$375,000)

- Boat owners, crew & family members
- Third party provider
  - MA Fishermen's Partnership
- 2-3 year program



# State & Federal Grant Administration Fees

	Amount
State Grant Administration (2.5%) – staffing to assist with application procedures, qualify participants, disburse funds, report writing and comply with audit exams.	\$338,249
Federal grant administration (3.7%) – federal agencies are allowed to charge up to 5% for grant administration.	\$481,751
<b>Sub-Total</b>	<b>\$820,000</b>